TRIAD SYSTEM: COHE

R

ENCE-
BASE
D
RISK

MANA
G

EMEN
T &
GOVE
RNAN

CE

ARCHITECTURE MASTER

LICEN
SING
&
IMPLE

MENT

A

TION AGREE MENT

1.
PART

IES

This

Master

Licensing Agreement

("Agreement") is entere

d

into as of _____

_____

_("Effective Date")

by and between:

Licens

O

r:

Wayne Reed [Addre

S

s]
("Licen
sor,"
"Autho

r,"

or "Rights Holder")

License

e:

[Legal Entity Name]

[Addre
ss]
[Type:
Insuran

ce
Carrier
/
Reinsur

er /
Under
writing
Entity /

Regulatory Body]("Licen

S

ee")
Collecti
vely
referre

d

to as "the Parties."

2. PURP

OSE &

INTENT 2.1

Grant Purpose

The purpose of this

Agree
m

ent is
to
grant
Licens

ee

a **limit**
ed,
non-
exclus

ive,

non-

transf
erable
,
revoc

able,

audita
ble
licens
e to

implement the Triad System

exclusi
vely
for:

- Risk

assess

ment
and
actuari
al

modeli
ng
- Loss
varianc

e

reducti

on

- Gover

n

ance
cohere
nce
validati

on

- Failur

e

detecti

on,

surface mapping, and

mitigat
ion

- Long-
term

systemic stability

monito
ring

- ACRE
(Adapti

ve
Cohere
nce &
Resilie

nce Extension) frame

W

ork
compli
ance

2.2 Prohibited

Uses This Agreem

ent explicitly **prohibits**

use

of the Triad System for:

- Autonomous decision-

making without

human oversight

- Behav

oral
manip
ulation,
surveill

ance,
or
predict
ive

policing

- Weaponizati

O

n or
militar
y
applica

tions

- Covert influen

ce

operations

- Regulatory

circum
vention

- Suppr
ession

of
materi
al risk
finding

s

- Rebra
nding,
misattr

bution,
or
intellec
tual

property theft 2.3

Preve
ntive
Natur

e

This Agreem

ent is expres sly **pre ventiv**

e

and risk-reducing in

nature
and
does
not:

- Replace statutory

authori
ty

- Super
sede

regulatory discretion

- Create binding obligati

ons on third parties

- Guara

n

tee
specifi
c
outco

m

es

3.

DEFI

NITIONS 3.1

Triad System

A
cohere
nce-
preser

Vi

ng
system
s
archite

C

ture
design
ed by
Wayne

Reed
to
mainta
in long-

term

stabilit
y
throug
h:

- Failure

-first modeling (X.3.1

Continuous Stress Validati

on)

- **Failure Surfac**

e

Mapping (X.3.2)

- **Adap**

tiv

e
feedb
ack
loops (

X.3.3 Mandatory Adapti

V

e
Variant
Genera
tion)

- **Resilience-weighted**

evaluation (X.3.4)

- **Contr**

ol

led integr ation protoc

O

Is (X.3.5)

- **Constraint-**

based

gover

nance

(X.3.6

Constraint Memory

Encoding)

- **Historical**

integr
ity
preser
vation

3.2 Coherence

Index (CI)

A non-

behav
ioral,
non-
predic

ve

metric

measu

ring:

- System alignment

over time

- Variance

from

expect
ed
operati
onal

parameters

- Stability

under stress conditi ons

- Degradation grace curves

Used **solely** for risk assess

ment,
not
individ
ual

behavi
or
predict
ion.

3.3
F.A.C.
E.

Agent Feedback

Adaptive Complexity

Engine — the AI implem

entatio
n of
Triad
System

and ACRE principles,

which applies continuous

stress validation **to itself**

as

well as monitored system

S.
3.4
Imple

menta

tion

The

application of Triad System

principles as an **advisory,**

analyt
ical,
or
audit-

suppo
rt

layer,
not as
autono
mous

authori
ty.
3.5

Materi
al Risk

Finding Any

output indicating:

- Immin

e

nt
failure
probab
ility

>15%

- Casca de failure

potenti
al
affecti
ng

public safety

- Regulatory

non-
compli
ance

- Syste

m

ic
fraud
or
concea

lment

- Catastrophic tail-

risk exposure

3.6 Misuse

Any use of the Triad

System that:

- Violates

Section 2.2 Prohibited

Uses

- Suppresses Materi

a

I Risk Findings

- Remo

V

es attribution or author

S

hip

notices

•Circu

mvents

audit mechanisms

- Transf

e

rs
license
without

written
consen
t

4.
LICE

NSE
GRAN

T
4.1
Scope

of License

Licensor grants License

ee

a **non-exclusive, non-**

transfer

able,
revoc
able,
limite

d

licens

e to:

- Imple

ment

the

Triad System internal

ly
within
Licens
ee's

organiz
ation

- Use

Triad

outputs for underwriting,

risk modeling, govern

ance analysis

- Produ

C

e
derivat
ive risk
assess

ments
based
on
Triad

outputs

- Train person

nel on

Triad methodology

- Integr

a

te Triad output s into

actuarial models

4.2 Geographic

Scope

Licens
e is
valid

in:
[Specify jurisdic

t

ions]

4.3 Temp

oral Scope

License

term: [1 year / 3 years /

5
years]

from Effective Date, renewa

ble
upon
mutual
written

agree
ment.
4.4

Usage Limita

tions

The License

does **not** permit:

- Sublic

ensing

to third parties without

written consent

- Weap

O

nizatio
n or
militar
y

applications

- Covert

behavi

oral influence or surveill

ance
beyond
lawful
authori

ty

- Suppr

ession,

alterati

on, or
concea
lment
of

audit outputs

- Rebra

nding,

white-labeling, or misattr

bution
of
author
ship

- Reverse engineering

of core archite cture

- Sale,

lease,
or
transfe
r of the

Triad System

- Use in jurisdic

tions
with
conflict
ing

legal frame works without

amend
ment

4.5 Derivative

Works

Licens

ee may

create
imple
menta
tion-

specific

deriva
tives, provide

d:

- Core Triad archite

cture
remain
s
unalter

ed

- Attrib

ution

to

Wayne

Reed is preserved in

all documentation

- Derivatives remain audit-

compatible per Section

5.2

- Derivative source

code is disclosed to Licens

or

upon

request

- Deriv
ati

ves do not violate Section

2.2 Prohibited Uses

5.
REGU

LATOR
Y &

COMP
LIA

NCE

ALIG

NMEN T 5.1

Regulatory Neutr

ality

The

Triad

System is designed as

an **adv isory-only frame**

W

ork th

at:

- Produ

ces

transp
a

rent,
human
-
inspect

able outputs

- Does

not

overrid
e
human
judgm

e

nt or discretion

- Does

not
autom
ate
binding

legal
or
regulat
ory

decisions

- Supports—

but

does
not
replace
—

existing compliance

frame works 5.2

Audit Compatibilit

y &
Trans
paren

cy

Licens

ee

agrees that:

- **All Triad-**

related outputs

remain

audita
ble by
interna
l

auditor
s,
extern
al

regulat
ors,
and
Licens

or

- **Failure detect**

ion

logs are preserved for

minim
um [7
years /
regulat

ory
requir
ment]
•**Histo**

ri

cal revisions remai

n

visible and traceable wit

h

timest
amped
change
logs

- Material Risk Findin

gs

cannot be suppressed

(S

ee Section 9.3)

- **Syste**

m

access logs are

mainta
ined
and
availab

e upon request

5.3

Compliance with

Applicable Law

Licensee warrants that

its use of the Triad System

will comply with:

- EU AI

Act (if applicable)

- ISO

9001,
27001,
31000,
22301,

56002, 23894

- GDPR, CCPA,

and
other
data
protect

on
regulat
ions
•Insura

n

ce
regulat
ory
require

ments
in
operati
ng

jurisdictions

- Anti-discrim

ination
laws
(no
proxy

discrim
ination
via CI
metrics

)

6. INTEL

LECTU
AL

PROPERTY 6.1

Ownership

All

intellectual property

rights,

including but not limited

to:

- Triad System

architecture and metho

d

ology

- F.A.C.E. agent

design

and logic

- ACRE frame

W

ork
principl
es
(X.3.1

- X.3.6)

- Syste
m
logic,

algorithms, and structu

ral
principl
es
- Docu

m

entatio
n,
trainin
g

materi
als,
and
diagra

ms

- Trade marks, service

marks, and brandi ng

remain
the **ex**
clusiv
e and

perpet
ual
prope
rty of

Wayne Reed (Licensor).

6.2 No Transf

er of Owner ship

Nothing in this Agree

ment

constit
utes a
sale,
transfe

r,

or

assign

ment

of

intellec
t

ual
propert
y
rights.

6.3 Attribution

Requirement License

e must provide **clear, conspi**

C

uous attribution: n:

- All

public-facing materials

referencing the Triad

System

- Internal documents

entatio
n and
trainin
g

materials

- Regulatory

filings citing Triad output

S

- Marketing materials,

press releases, and investo

r

commu

nicatio

ns

Required attribution

format:

"Powered by

the

Triad System, develo

p

ed by Wayne Reed"

6.4 Trade mark

Usage

Licensee may

use the terms "Triad System

,

"F.A.C.E.," and "ACRE"

solely to describe

license
d use,
not to
imply

endors
ement,
partner
ship, or

co-
develo
pment.

7. RISK,

LIABILITY

&

INDE

MNIFI
CATI

ON
7.1 No

Warranty of Outco

mes

Licens

or

provide
s the
Triad
System

"AS IS" without warran

ti

es of any kind. The

Triad System:

- **Does**

not

guara
ntee lo
ss
elimina

tion or

specifi
c risk
reducti
on

percentages

- **Does not**

predic
t speci
fic
advers

e

events

with

certain

t

y

- **Reduces variance**

C

e, not uncert ainty itself

- Requires human

judgme

nt for final decisio n-

making

7.2 Limita

tion of Liabili

ty

Licens

or

shall

not be liable for:

- Opera

ti

onal decisions made

by
Licens
ee
based

on Triad outputs

- Regul
at

ory
enforc
ement
actions

against License

e

- Misuse, misinte

rpretation, or misapplication

of Triad outputs

- Conseq

uential

,

inciden

tal, or

punitive damages

- Loss of profits, revenu

e, or
busine
ss
opport

unities

Maxim

um

liabilit

y:

Total fees paid by Licens

e

e in the 12 months

precedi

ng the claim.

7.3

Licensee Indem

nificat

ion

Licens

e

e

agrees

to **ind**

emnif

у,

defen
d, and
hold
harml

es

s Licen
sor
from
claims

arising

from:

- Licensee's misuse

of the Triad System

- Violati

O

n of Section 2.2 Prohibi

ted

Uses

- Suppr

ession

of
Materi
al Risk
Finding

s

- Regulatory violatio

ns by Licensee

- Third-

party claims related to

Licensee's implementatio

n

7.4 Mutua

Indemnificat

ion

Each

Party

indem
nifies
the
other

against

claims arising from its own

negligence, wilful miscon

duct,
or
breach
of this

Agree
m

ent.

8.

FINA

NCIAL

TERMS &

CONSI
DER

ATION 8.1

License Fees

(See Schedule A)

Tier 1: Pilot Implementa

tion

(First 12 months)

- Base

License Fee: $ **250,0**

00

(one-time)

- Annual

Mainte

nance
&
Suppor
t: **$50,**

0

00/ year

- Per-deploy

ment fee: **$100,000** per

distinct operational

environment

Tier 2: Enterp

ri

se Imple menta tion (A

fter

pilot validation)

- Base

License Fee: $500,0

00

(one-time)

- Annual

Mainte

nance
&
Suppor
t: **$10**

0,

ooo/ year

- Per-deploy

ment fee: **$150,000** per

environment

Tier 3: Exclus

iv

ity

Optio

n (Limi

ted

availab
il

ity)

- 6-month sector

exclusivity: **+ $750,000**

- 12-month sector exclusi

vity: +
$1,50
0,000

8.2 Payment

Terms

- 50% due

upon execution of this

Agree
ment

- **50%**

due

upon deployment or 90

days, whichever is earlier

- Late payments: **1.5%**

monthly interest

8.3 Perfor manc

e-Based

Incentives (Optio

nal)

If Triad System

demon
strably
reduce
s loss

variance by:

- **>15%:**

License

e pays additional $100,0

00
succes
s
bonus

- **>25 %:**
  Licensee

pays additio

nal $250,000 succes

s

bonus Measurement

period: 24 months post-

deployment.

8.4

Value Proposition

to Licensee

Documented benefits

include
:

- Early failure detecti on

(avg. 30-day advanc

e
warnin
g)
- Reduc

e

d tail-risk exposure

(measured via VaR improv

ement)

- Improved actuari

al confidence interva

s

- Enhanced regulat

ory
defensi
bility
- Comp

li

ance audit readin ess

9. CONF

IDENT
IALI

TY &
TRAN

SPARENCY

BALA

NCE 9.1 Confi

dentia
l Infor

matio

n

Each

Party agrees to protect

- Propri
etary
implem
entatio

n

details

- Trade secrets

and methodologies

- Sensit
i

ve
client
data
(subjec

t to GDPR/ CCPA)

- Intern

al

risk models and pricing

strategies 9.2

Permitted Disclo

sures

Confid

ential

Inform
ation
may be
disclos

e

d:

- To regulators

upon lawful request

- To

auditor
s
under
confide

ntiality obligations

- As

required by court order

or

subpoe

na

- To

Licens
or for
audit
purpos

es
(Sectio
n 10)

9.3 Mandatory

Disclosure of

Materi
al Risk

Notwithstanding confid

e

ntialit

y

obliga

tions,

License

e may not suppress Ma

teri

al Risk Findings (as define

d

in Section 3.5) if materi

al

to:

- Public safety
- Regul

at

ory
oversig
ht

- Actua

ri

al

integrit

y

- Finan

Ci

al
stabilit
y
Breac

h

of this section consti

tutes

groun
ds for
imme
diate

termin
ation
and
potent

ia

I regulatory notific

at

ion.

10.

LICE

NSOR

AUDIT

RIGHTS 10.1

Audit Authority

Licensor reserves the

right to **aud it Licens**

ee's

imple
menta
tion of
the

Triad

System
:

- **Annually,**

upon
30

days'
written
notice
•**Ad**

hoc, if credible evidence

C

e of
misuse
exists
- **Durin**

g

invest
igatio
ns of
alleged

Section 2.2 violatio

ns

10.2 Audit

Scope

Audits may

examine:

- System

configu
ration
and
param

e

ter
setting
s

- Attrib

ut

ion

compli

ance

- Suppr

e

ssion
of
Materi
al Risk

Findings

- Derivative

works for compliance

with Section 4.5

- Audit

trail integrity

10.3 Audit Costs

- **Routine audits:**

Licens

or
bears
cost
• **Misu**

se

- trigge red audits

revealing breach:

Licensee bears cost

10.4 Remediatio

n

If audit reveals

non-
compli
ance,
Licens

e

e

must:

- Cure

within

30

days of written notice

- Provide remediation

plan
within
10
days

- Failure to cure: ground

s for
termin
ation

11. TERM

INATI
ON
11.1

Termination for

Cause

Either

Party

may
termin
ate
immedi

ately upon written notice

if:

Licensor may

termin
a

te if Licensee:

- Violat

e

s Section 2.2 Prohibi

ted

Uses

- Suppresses

Material Risk Findings

(Section 9.3)

- Removes or

alters attribution (Sectio

n 6.3)

- Fails audit remedi

ation (Section 10.4)

- Beco

m

es
insolve
nt or
files

bankruptcy

- Breaches

payment obligations for

>60 days **Licensee**

may

terminate if Licensor:

- Fails to provide

material support per

Schedule B

- Breaches

confidentiality obligations

- Commits fraud or

materi
al
misrep
resent

at

ion

11.2 Termi

nation for Conve

nience

Either

Party may termin ate

without cause upon **180**

days'

written notice.

11.3

Effect of Termi

nation

Upon termin

a

tion,
Licens
ee
must:

·lmme

di

ately
cease
all use
of the

Triad System

- **Delete or**

return
all
proprie
tary

materi
als

- **Pres**

erve hi

stor

ical
records
for
compli

ance/
audit
(7
years

minim
um)

- **Rem**

ove all

public-facing attribution

and
referen
ces

- **Pay** a

n

y
outsta
nding
fees

within 30 days

11.4 Survival

The following section

s survive termination:

- Section 6 (Intellectual

Property)

- Section 7

(Liability & Indemnificati

O

n)

- Section 9 (Confid

entiality)

- Section 12

(Dispute Resolution)

12.
DISP

UTE
RESO

LUTIO
N
12.1

Governing Law

This Agreement shall

be

governed by the laws

of [Jurisdiction], without

regard
to
conflict
-of-

law provisions.

12.2 Mandatory

Mediation Before

litigation, Parties agree

to **goo**
d-
faith
media

tion fo

r

30 days.

12.3 Arbitr

ation (Optional)

[If elected: Bindin

g

arbitrat
ion
under
[AAA/

JAMS] rules in [Locati on]]

12.4 Injunctive

Relief

Either

Party

may seek injuncti ve

relief for:

- Intellectual

property violations

- Suppression of Materi

a

I Risk Findings

- Breac

h

of
confidentiality

12.5 Attorneys'

Fees

Prevailing

Party in dispute recove

rs

reasonable attorneys'

fees.

13. GENE

RAL PROV

ISION
S
13.1

Entire Agreement

This Agreement, includi

n

g all Schedules, constit

u

tes the entire understandin

g

and supersedes all

prior

negoti
ations,
repres
entatio

ns

, or agreements.

13.2 Amendment

s

Amendments

must
be
in **writ**
ing

and

signed by both Partie

S.

13.3 Severability

If any provision is held

invalid, the remainder

remain
s in full
effect.

13.4 Waiver

Failure to enforce any

provisi
on
does
not

constit
u

te
waiver
of
future

enforc
ement.
13.5

Assignment

Neither

Party may assign this

Agree
ment
without
prior

written consent, except:

- Licens

or may assign to a succes

sor

entity

- Assig

nment

to affiliated entities

under
common
control

requires notice

13.6 Force Majeu

re

Neither Party is

liable for delays due to

events beyond reasonable

control

.

13.7 Notic

es

All notices

must
be in
writing
to

addresses listed in

Section

1.
14.
SIGN

ATURE

S

LICEN

S

OR:

Wayne Reed

Date:

LICEN
SEE:

[Name, Title]
Date: _____

SCHE
DULE

A:

PRICI

NG
STRU

CTURE

[Detail

e

d fee breakd own from

Section 8.1] SCHE

DULE B:

SUPP
ORT

& MAIN

TENANCE

- Suppor

t

hours:

40

hours/

year consulting

- **Resp**

on

se time: 48 hours

for
critical
issues

- **Traini**

n

g: 2 on-site training

sessions/year

- **Update**

s: All methodology update

s
included

SCHE
DULE

C: PER

MITTE
D

JURIS
DIC

TIONS